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TAGS: [ECON](#) [EFIN](#) [KNNP](#) [PARM](#) [PTER](#) [PINR](#) [SN](#)
SUBJECT: GOS RECEPTIVE ON NEED TO ENGAGE CHINA ON
PROLIFERATION-RELATED TRADE WITH IRAN

REF: A. STATE 98969
[1](#)B. 2007 SINGAPORE 1258

Classified By: Econ/Pol Chief Ike Reed reasons 1.4 (b) (d)

[1](#)1. (S) In response to reftel demarche, Singapore MFA accepted in principle the need to encourage China to do more to combat proliferation and prevent the transfer of dual-use and military items to Iran. Michelle Teo-Jacob, Deputy Director of the MFA Counter Proliferation and International Security Branch, told us September 18 that she agreed China's export control enforcement is weak and that this posed a problem for Singapore as a large transshipment port.

[1](#)2. (S) Teo-Jacob made no commitment to press China at the policy level on proliferation-related trade with Iran but suggested the GOS would consider the idea. She expressed reservations about a direct approach, saying Chinese authorities often react defensively and might become obstructionist. She also thought it might be more effective to address such concerns at the provincial level than with Beijing, given China's huge size and numerous ports. Teo-Jacob thought an industry outreach program along the lines of what Singapore has used to educate shippers on their obligations under various export control regimes and UN Security Council Resolutions (and discreetly let them know the authorities are watching) might be effective.

[1](#)3. (S) Noting that Singapore does substantial capacity building in various areas with Chinese provincial officials, E/P Chief asked whether Singapore might be willing to offer export control and industry outreach training in the context of encouraging China to address proliferation concerns. Teo-Jacob said she thought it might be possible for Singapore Customs to fold in such training for the many officials from Beijing and the provinces who come to Singapore for public administration and other training. She said she would discuss this idea with her colleagues at MFA and Singapore Customs and let us know whether it is something Singapore would proactively offer.

[1](#)4. (S) Teo-Jacob also highlighted the ARF Inter-Sessional Meeting (ISM) on Nonproliferation and Disarmament to be hosted in China early next year as an opportunity raise Chinese consciousness on proliferation issues. She thought the fact that China, the United States and Singapore are jointly co-chairing the ISM would provide an atmosphere in which to raise concerns without provoking a defensive reaction from China.

CONCERN ABOUT RETURNED SHIPMENTS

[1](#)5. (S) Teo-Jacob acknowledged personal concern that suspect shipments interdicted and returned to China by Singapore could simply get loaded on other ships and forwarded to Iran by some other route. She suggested that Singapore Customs

had traced the route of suspect cargo sent back to the country of origin and recognized this possibility. Even so, she said Singapore had little choice, since, in the sodium perchlorate case (ref B), for example, the Chinese shipper was the rightful owner and Singapore had no legal right to hold the shipment indefinitely. Teo-Jacob indicated also that Singapore will soon undertake a review of the implementation of export control laws passed 5 years ago. She said a problem the Singapore interagency is grappling with is what to do when goods do not exactly match or "fall short of" the specifications for controlled items but appear that they could be used for the same purpose as a controlled item.

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